



THE FCC AND UNIVERSAL SERVICE FUND

A Massachusetts Perspective

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Massachusetts Department of Telecommunications and Cable -- Key Points

1. State preemption concerns are tied to effects on consumers and competition. State roles are needed.
 - ETC designation authority – 4 MA ETCs for high-cost; 5 for low income.
 - Intrastate ratemaking – questionable legal authority; arbitrary \$.0007 rate. MA unified composite terminating rate: \$.003752 (or \$.004820 if tandem switching is included). DTC Docket 07-9, 10-2 = pathway to rate rebalancing.
 - Consumer rate shock – SLC increase, \$30 benchmark, access recovery fee.
 - COLR obligations – MA consumers need affordable service.
2. Restrain USF high cost program and make disbursement more equitable.
 - 2009 – MA received \$.27/\$1.00 contributed to USF; 2nd lowest for high cost support.
 - MA has unserved and underserved broadband areas that need funding.
 - FCC should eliminate rural/non-rural distinction; focus on need.
 - Support mechanisms should be technology-neutral.

Western Massachusetts Broadband Deployment





